

AR13

Annual
Report
1978
National
Sea Products
Limited

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Cover Photo: In tribute to the Fisherman for whom, in spite of technological advances, ultimate success still depends on his own experience...and his own two hands.



National Sea Products Limited

National Sea Products Limited is a publicly owned Canadian Company whose major business activity is harvesting, processing, and marketing a wide variety of seafood products. The High Liner® brand of National Sea Products Limited is the market leader in Canada, is becoming significant in the U.S.A. and increasingly familiar in over 20 other countries.

The Company owns and operates more than 50 fishing vessels, has over 6000 seasonal and regular employees, 800 off-shore fishermen, buys fish and seafood products from approximately 3000 independent fishermen and operates 21 processing plants in Atlantic Canada. In addition, it has a shrimp processing plant in Florida, U.S.A. and a convenience seafood processing plant in Maine, U.S.A.

National Sea Products Limited is a leader in development of the latest technology in fishing methods and is devoting increased emphasis to the whole area of Research and Development.

The Year's Highlights

National Sea Products Limited

| (All amounts in thousands, except as indicated +) | 52 weeks to December 30 1978 | 52 Weeks to December 31 1977 |
|---|------------------------------------|------------------------------------|
| Net Sales | \$217,481 | \$164,659 |
| Net Income | \$ 10,009 | \$ 5,123 |
| *Earnings per Common Share | | |
| Before extraordinary items | + \$ 2.20 | \$ 1.08 |
| After extraordinary items | + \$ 2.20 | \$ 1.12 |
| *Dividends paid per Common Share A | + 79.3¢ | 12.0¢ |
| *Dividends paid per Common Share B | + 74.4¢ | 12.0¢ |
| Cash Flow | \$ 15,299 | \$ 10,203 |
| *Cash Flow per Common Share | + \$ 3.28 | \$ 2.25 |
| Working Capital | \$ 15,596 | \$ 12,650 |
| Ratio of Current Assets to Current Liabilities | + 1.29 | 1.37 |
| Fixed Assets, net of depreciation | \$ 42,066 | \$ 36,338 |
| Common Shareholders' Equity | \$ 31,443 | \$ 23,054 |

* Restated for 3 for 1 split in 1978

National Sea Products Limited
Head Office: Duke Street Tower
Scotia Square, Halifax, Nova Scotia

Valuation Day Price (December 22, 1971)

*Common Shares \$3.17
Preference Shares (5½%) \$3.25



Directors' Report to the Shareholders

In its weekly surveillance summary, the Field Services Branch, Fisheries and Oceans Canada reported during the week of November 9 to November 15, 1978, that 257 licensed foreign fishing vessels and support vessels were identified off the Atlantic coast. Of these 222 were within the 200-mile limit.

This was not an unusual week. During the same period it is safe to estimate that there were approximately 100 Canadian fishing vessels in the same area. The remarkable fact is not the average differential of two foreign vessels to one Canadian vessel, but rather that these foreign fishing vessels represent approximately 400-500,000 metric tons of fishing power compared to approximately 100,000 tons of Canadian fishing effort. Further, some of these foreign vessels are stationed for a matter of years off the Atlantic coast. This makes it possible for them to outfish Canadians to a marked degree.

As most foreign trawlers have freezing facilities, they are able to take species not available to Canadian vessels because of the lack of freezing capability.

Aware of the great importance to future operations represented by freezer trawlers, your Company applied for licenses over a

year ago. These applications for licenses to operate such ships have not been given favourable consideration as at this date.

As active members of the Canadian Fishing Industry your Company operations last year were conducted in what has been described as a climate of uncertain federal government policy.

Nonetheless as a result of the 200-mile limit with its resultant increase in fisheries resource renewal, and thanks to increased fleet efficiencies, processing economies and global marketing facilities, the Company has completed the year with very encouraging operations and earnings.

Financial and Operating Results

Sales and other revenue increased from \$165 million in 1977 to a new high of \$217 million resulting in large part from increases in fish landings and sales, firm markets, and favourable foreign exchange rates.

Net income for the year was almost double that of last year; \$10,009,000 vs \$5,123,000: an increase of 95.4%.

After regular dividends on preference shares the earnings amount to \$2.20 per common share in 1978 compared to \$1.12 per common share in 1977. Cash flow amounted to \$3.28 per common share in 1978 compared to \$2.25 in 1977. In November a dividend of \$0.463 was paid, largely out of capital surplus, and an ordinary dividend of \$0.33 for Class A and \$0.2805 for Class B common shares was paid in December. The November dividend was followed immediately by a rights issue which is described in a later section of this report. Regular dividends were paid on the preference shares.

The Company's share of the domestic market continues to grow as a result of increased promotion and the introduction of new products. Packaging has again been updated this year to enhance the position of leadership enjoyed by our High Liner brand. Our market share in the United States has also made significant gains due to the expansion of our American facilities which this year are reaching near full production. Our International business in overseas markets has grown with notable success.

Of the Company's two major affiliates, Bermuda experienced a better year than last. But due to start-up expenses and lack of throughput at the new Burgeo plant and losses sustained by another affiliated Company, Conley and Daggett Inc., our net loss of affiliated companies was \$558,000 compared to earnings of \$351,000 last year.

Fixed asset additions amounted to \$10,296,000 in 1978 versus \$5,207,000 in 1977. These new investment programmes, many of which were only started during the year, will assist in increasing our production and sales in future years.

Fish purchases this year reached an all time high of 300,808,000 pounds, an increase of 29.6% over last year.

All Company plants operated at near capacity which made possible per-unit economies.

Relations with our employees and fishermen have been satisfactory and we confidently expect this situation to continue in the future.

Improved fish landings and increasing fish prices have helped stabilize our industry to a much greater extent than has been possible in the past.

While the introduction of the 200-mile management zone has, to a degree, reduced some of the crippling effect of foreign vessel harvests from Canadian waters, it is hoped during the coming year that government fishery policies will reach a stage of resolution and become sufficiently positive to allow all

ectors of the industry to begin to realize the full potential of the opportunities facing us.

Future Plans

The 200 mile limit, other conservation measures, favourable foreign exchange rates and firm selling prices are expected to make 1979 another growth year.

Increased awareness of seafood products and increased per-capita consumption is being created by the designation of November as National Fish and Seafood Month by Fisheries and Oceans Canada, a promotion in which your Company participated fully.

Export markets continue to represent the primary growth potential for both traditional and non-traditional species.

Only freezer trawlers can preserve the quality and texture of non-traditional species. Your Company's applications for freezer trawler licenses continue to be delayed, in spite of the increased contribution to the economy that granting of these licenses would provide.

Capital Expenditures & Investment

Our 1978 operating profits resulted in part from the capital expenditures made over a year ago which were not in a position to make their full contribution until 1978.

Planning ahead, a number of major capital expenditures were approved during 1978 which are expected to reflect increased profits in the future. Approximate expenditures include: La Scie, Newfoundland—\$2 Million; Lunenburg, Nova Scotia—\$6 Million; Arnold's Cove, Newfoundland—\$5 Million; Shediac, New Brunswick—\$1 Million; Upgrading Trawlers and ice strengthening—\$2 Million.

Trawler Designs

During the year the Company commissioned designs for new trawlers to replace those which are becoming technically and physically obsolete. Designs have now gone to tender for two to six trawlers: bids have been received and are now under consideration prior to entering into construction contracts.

Employees' Savings and Profit Sharing Retirement Plan

Record earnings this year have made it possible for the Company to make another record breaking contribution to the Employees' Savings and Profit Sharing Retirement Plan of \$1,928,000, as compared to \$870,000 in 1977, an increase of more than double last year's contribution.

Scholarship Fund

For the first time, in 1979, the Company will implement university scholarships in degree courses for the sons and daughters of employees and fishermen.

Dividends, Shares Split and Rights Offer

During the year shareholders approved the subdivision of the Company's Class A and Class B convertible common shares on a three for one basis. This subdivision became effective November 10, 1978.

On October 16, 1978 the Directors authorized a dividend to be paid out of capital surplus which, on the record date of November 13, 1978, was determined to be \$0.463 per Class B common share. This dividend on the Class B common shares resulted in a payment out of capital surplus of \$1,900,000.

At the same time an ordinary dividend in the same amount, \$0.463 per share, was paid to holders of Class A common shares.

Also on October 16 the Directors authorized a rights issue to the holders of the Class A and Class B common shares of record at November 14, 1978.

Each shareholder was given the right to subscribe for one additional share, at a price of \$14.00, for each thirty shares held on the record date.

The offer expired on December 11, 1978, and was 100% subscribed resulting in 149,523 common shares being issued for \$2,093,322.

Bermuda Operations

Our Bermuda insurance affiliates, consisting of a management company, a brokerage company, and an underwriting company, showed growth during the year. Your Directors approved an additional investment of US \$2 million increasing the capital to permit the underwriting company to write in a broader international insurance field.

Directors

At our last Annual Meeting Mr. H. P. Connor having reached retirement age resigned as Chairman of the Board. Mr. Connor has spent a lifetime in the fishing industry, and has been a Director of the Company or one of its predecessors since 1945. His highly significant contribution to the Company is gratefully acknowledged. We are pleased that Mr. Connor agreed to continue serving as a Director of the Company. Mr. H. B. Rhude, Q.C., the Company solicitor for many years, was elected Chairman of the Board of Directors and Chairman of the Executive Committee.

In Appreciation

Much of the success achieved in 1978 is due to the dedication, skills and productivity of the Company's close to 7000 fishermen and employees.

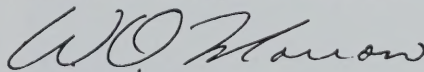
To them the Directors have asked me to express sincere appreciation for their outstanding contributions.

Based on the challenges apparent in future growth projection, opportunities in the industry will continue to expand.

Outlook

The very nature of our business makes forecasting a difficult and hazardous task. We are confident, however, that with appropriate government policies, our competent and dedicated staff and our access to the very rich resource off our coasts, your Company is well poised to meet the challenges of the future.

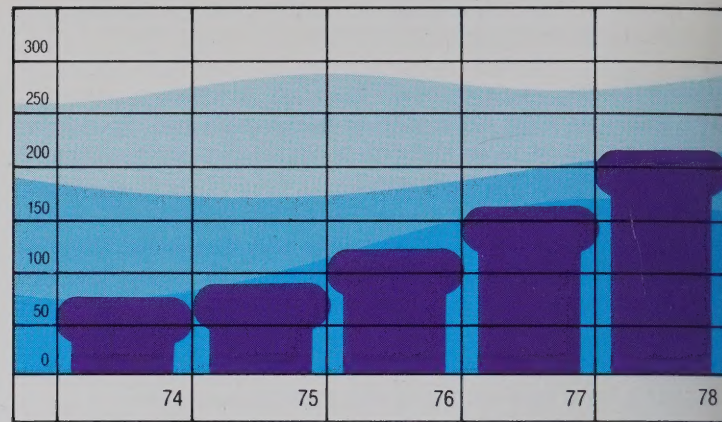
On behalf of the Board of Directors



W. O. Morrow
President and Chief Executive Officer

Operating Results

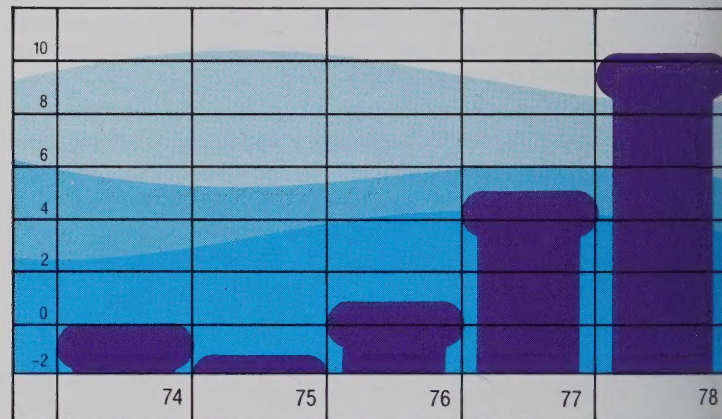
National Sea Products Limited



Net Sales:

Millions of dollars

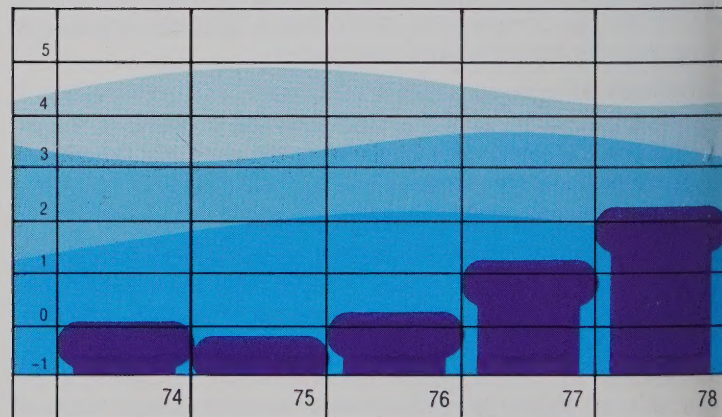
As a result of improved landings, strong demand, aggressive marketing, and upgrading of Company products, net sales increased to a record \$217 million. This represents a 32% increase over fiscal 1977.



Net Income:

Millions of dollars

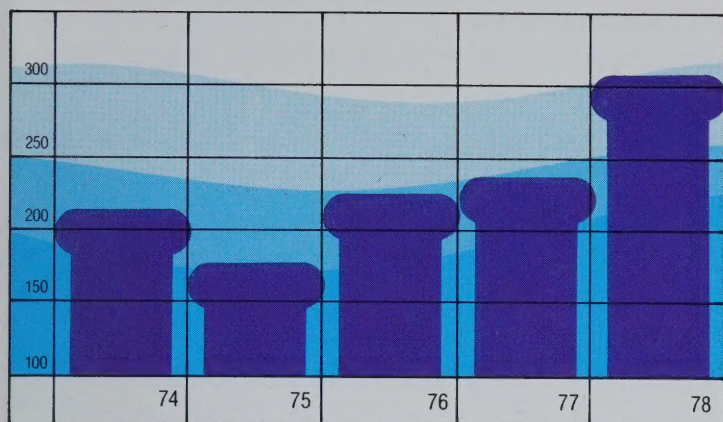
Due to good landings, firm markets and favourable foreign exchange rates, our 1978 profits reached a record high.



Earnings Per Share:

Dollars

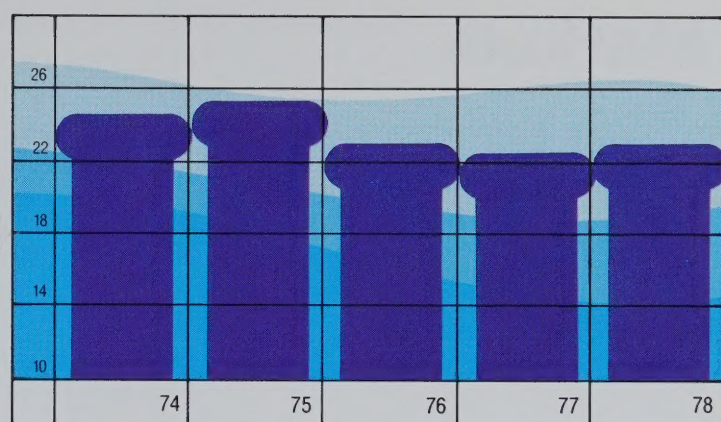
Earnings per share increased to \$2.20 per common share which represents an increase of 96% over the 1977 earnings per common share.



Fish Landings:

Millions of pounds

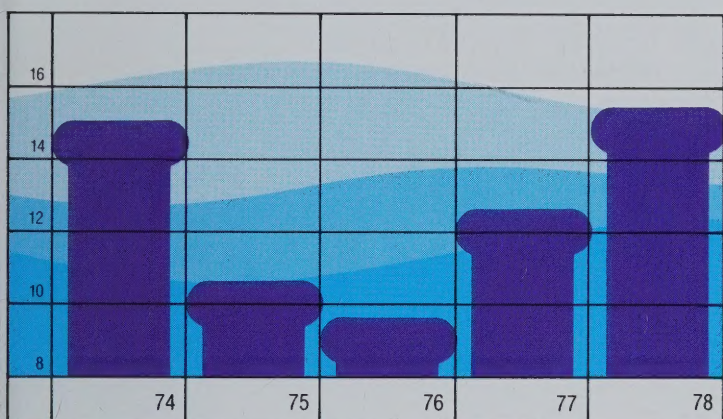
Fish landings exceeded 300,000,000 pounds for fiscal 1978 — a new high for the Company.



Long-Term Debt:

Millions of dollars

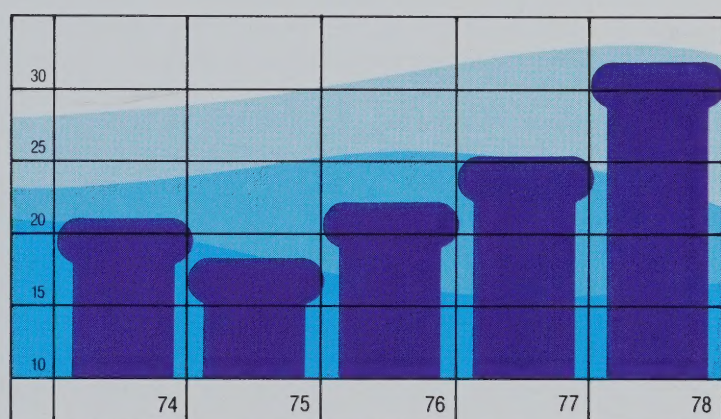
Long-term debt increased in the year by a net amount of \$1,541,000 mainly as a result of increased investment in fixed assets.



Working Capital:

Millions of dollars

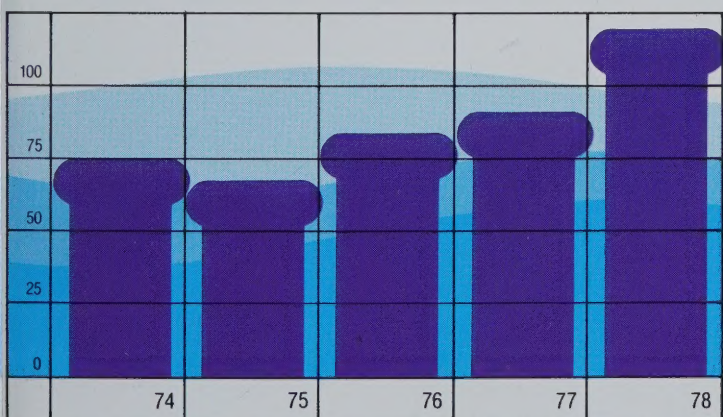
The working capital position improved in the year by \$2,946,000.



Shareholders' Equity:

Millions of dollars

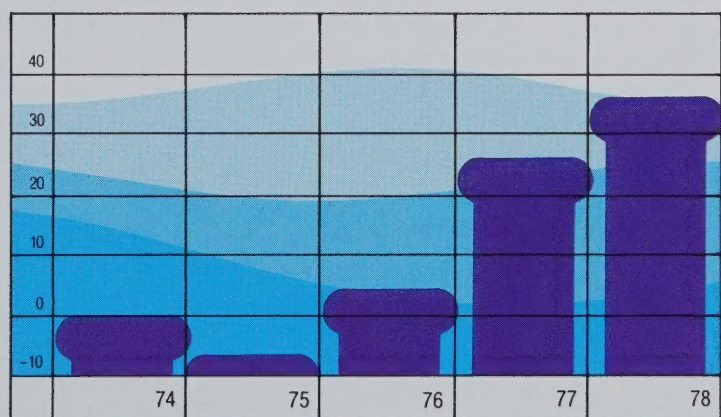
Shareholders' equity has reached \$33,372,000. This higher base will assist the Company in supporting its planned future growth.



Total Assets:

Millions of dollars

Investments in plants and trawlers amounted to \$10,296,000. in 1978.



Return on Average Common Shareholders' Equity:

Percentage

The return on average common shareholders' equity amounted to 36.3% for the year. The average return on shareholders' equity in the past five years averages 14.2%.

Markets

Marketing Climate

As a renewable resource, fisheries will, with good management, increase greatly in importance.

One of the richest and most prolific fisheries in the world is the area of the northwest Atlantic off Canadian shores.

In spite of the recent distress caused by overfishing, it is reasonably forecast that within the next ten to fifteen years the Canadian Atlantic coast landings of groundfish will be two to three times greater than at present with a 50% improvement in catch-per-unit-of-effort. To do so will require doubling our existing fishing power.

The future will also see the development of vessels especially suited for catching mackerel, squid, capelin, shrimp and herring in off-shore waters; many of these species will require freezer vessels and a limited number of full factory ships.

Today Canada is the world's third largest exporter by value of fish and could well become the world's largest exporter in the foreseeable future.



Domestic

A major force in the Canadian market, High Liner products are in full distribution in food outlets across Canada. Depth of market penetration varies between Frozen Fillets, Frozen Cooked and Frozen Fish and Chips.

With storage points in Lunenburg, Halifax, Montreal, Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton and Vancouver, daily delivery of highest quality product is guaranteed.

As the leading seafood advertiser in Canada, High Liner brands are becoming increasingly familiar to Canadian consumers in homes, hotels and restaurants alike.

Notable product success stories include:

Lobster in Brine—test marketed in 1976, Lobster in Brine is now meeting a growing market not only in Canada but as well in the International market. Lobster in Brine represents a most encouraging and highly accepted breakthrough in innovative packaging design

Canadian Fish Fries—
launched on a national
basis last

November were enthusiastically received initially and are now proving to be increasingly in demand. Promotional support is being provided, primarily, with television

Gourmet Twins—Breaded Whole Scallops and Batter-crisp® Shrimp—were introduced last March; combined sales in the first ten months were greater than forecast. Gourmet Twins are excitingly packed in keeping with today's consumer lifestyles

Sole in Batter—is the most recent addition to the High Liner family of products enrobed in batter. In just eleven months Sole in Batter has grown to be one of the leading High Liner products

Cheddo Stix®—fish sticks flavoured with Canadian cheddar cheese, were introduced in January this year. The unique process is a National Sea exclusive and a first in the industry

November Fish and Seafood Month

Inaugurated last November by Fisheries and Oceans Canada, this promotion was heavily backed in media, and at store level. It resulted in over 300,000 recipe requests indicating a very active, fast-growing interest in serving fish and seafood at home.

National Sea participated in this promotion to the maximum extent possible including special High Liner promotions at retail level.

This promotion was considered a conspicuous success; planning has already started for the November 1979 promotion.

Consumer acceptance reveals not only that more seafood is being served in restaurants but that the future potential for in-home consumption is particularly exciting.

With increased promotional weight and other economic influences, the Canadian consumer is becoming increasingly aware of the flavour, nourishment, convenience and economical advantages of enjoying seafood.

Five years ago, in 1973, Canadian per-capita consumption of fish and seafood was 13.42 pounds versus a projected estimate for 1978 of close to 19 pounds; an increase of over 40%. Every estimate suggests this rapid growth rate could well continue.

As the largest fish processor in Canada, National Sea Products Limited is making every effort in planning for the future to ensure this growing demand for quality products, at a reasonable price, will continue to be met.

US Market

Encouraging progress was made in the US Market where sales enjoyed a dramatic increase as a result of the expansion of our existing facilities which only came on stream last year.

With plants located in Tampa, Florida and Rockland, Maine, US operations showed an increase last year of over 25%.

Aware of the tremendous potential for High Liner products in this market, the Company continues aggressively to expand in both Hotel and Restaurant and Consumer packaged goods markets.

The U.S. Company staff has been expanded to include a Director of Food Service, and new Regional Sales Representatives have been appointed. New food brokers have been appointed in our expanding development of markets throughout the United States.

Further new product introductions are planned for the coming year in new eye-catching packages. These additions to the High Liner family, presently being marketed in the United States, include several new Battercrisp lines.

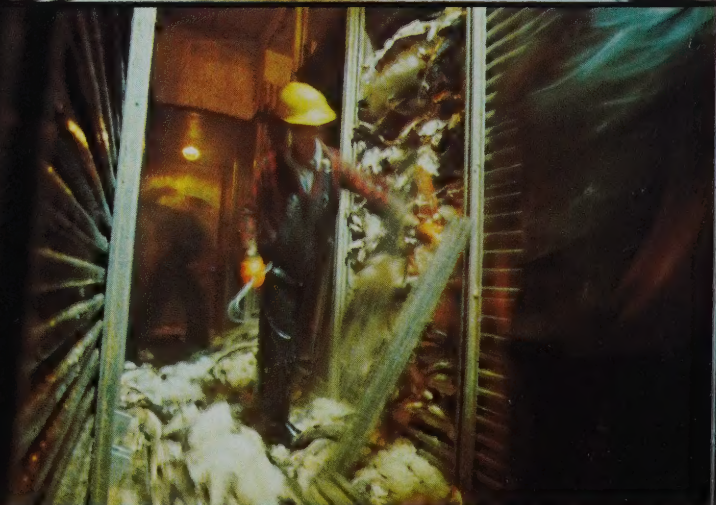
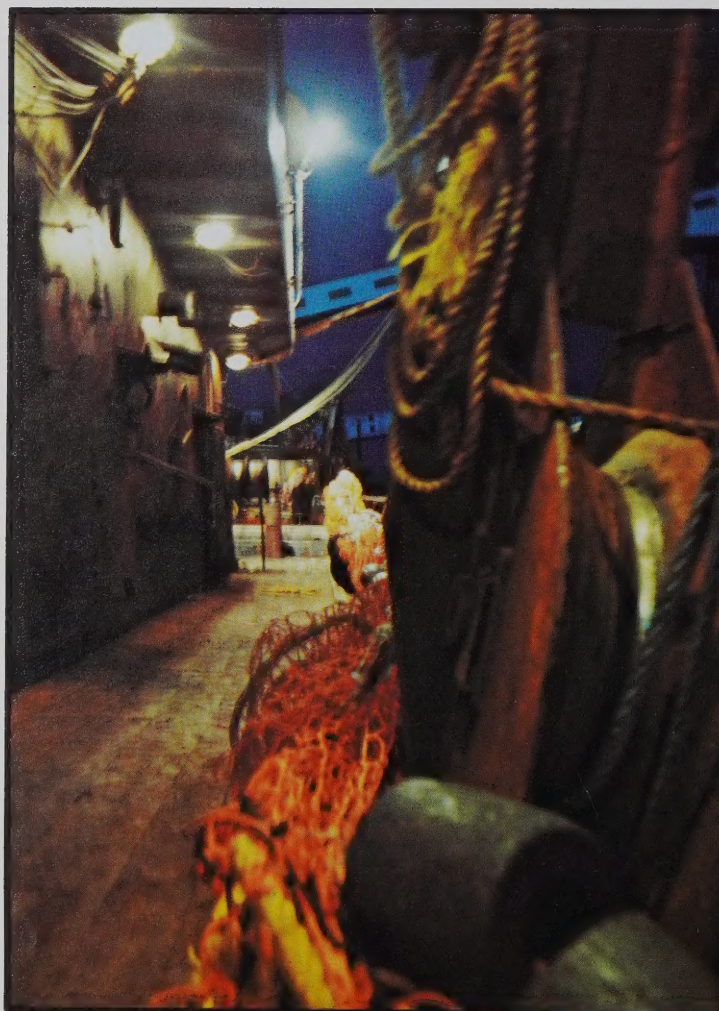
Another impressive and relatively untapped market potential also exists for new species of off-shore fish and seafood such as squid; particularly with the excellent quality which freezer ships planned for 1979 will make possible.

Further plans call for additional expansions in facilities as well as increased exports to US of Canadian products.

Recent consumer research data confirms industry figures that show two thirds of the fish eaten in the United States is eaten in restaurants, and other convenience food outlets.

This ratio underlines the exceptionally strong opportunity which exists for effectively marketed consumer packaged seafood products as well as for high quality seafood products supplied to the Hotel, Restaurant, and convenience food stores outlets.

A further "plus" exists for High Liner brands in the consumer's conviction that fish from the cold North Atlantic waters is firmer and better.



International Markets

Marketing of National Sea Products has now expanded to over 20 countries, each of which is enjoying increased sales. As an example, sales in France have tripled over the last three years.

A number of factors have made important contributions to this accelerating growth and the growing reputation for innovation gained by the Company.

Custom-made marketing techniques are developed for each international market. Packaging is being produced and supplied in the language of the country; even in those countries calling for three languages.

Package designs are being especially developed and introduced to guarantee freshness of delivery...even of unfrozen products...in overseas markets.

Promotional literature is being developed to keep international customers informed of trends, seasonality of catches, species, and other data of importance to them...again in 3 languages.

Sales arrangements have been established in each of our international markets throughout Europe.

Expansion is also taking place in South America and Australia and we expect that further trade will develop with Comicon (East Bloc) countries.

Aggressive efforts are being exerted in all markets to increase penetration, with particular emphasis on the more stable, hard-currency markets.

For the first time, National Sea was represented at one of the world's most important Food Shows last November, in Paris.

Market expansions and sales growth are continuing at an exciting rate. With proper planning, the international market could be expected to expand even more dramatically over the next 5 years.

Regardless of the time of day, National Sea trawlers take aboard up to 100 tons of ice before returning to the fishing grounds. Filling pens with ice ensures that when catches are brought aboard from the cold Atlantic, they are kept fresh and firm in ice. When off loading is completed, the pens are cleaned and a new supply of ice is taken aboard.



For those who enjoy a "smoked" flavour, fresh firm High Liner fillets are quickly coated and rushed to the smoke room.



Future Plans—Short Term

It is anticipated that 1979 will be another growth year for the industry. The introduction of the 200-mile limit and other conservation measures gives every indication of assuring an increasingly improved harvest. Favourable foreign exchange rates are expected to continue, as are firm selling prices.

The launching of a new programme in 1978 by Fisheries and Oceans Canada—National Fish and Seafood Month—scheduled across Canada for November each year, is expected to provide welcome assistance in focussing increased consumer attention on seafood products. With a large financial commitment and marketing effort, your Company participated in this program and achieved excellent results.

It is encouraging to note that in Canada, per-capita seafood consumption increased from 13.42 pounds in 1973 to a forecasted high in 1978 of close to 19 pounds. We feel there is an excellent opportunity to increase the per-capita consumption at an even faster rate with the proper educational, promotion and advertising tools that are at the industry's disposal.

Export markets will continue to represent the primary potential for the Company's sales growth for non-traditional and traditional species alike.

Future Plans—Long Term

As explained in some detail last year, the real opportunity for Company growth is in the development of a fleet of freezer factory vessels.

The North American market for our products can be expanded substantially if we provide acceptable products for the discriminating and informed buyers now proliferating with prominence in the food industry.

Many of the non-traditional species require special care to preserve quality and texture that only freezing at sea permits. If we do not, or are not allowed to meet this challenge there is a serious likelihood that unavoidable price increases in the future on traditional species could negate the current growth in per-capita consumption.

Experience gained in 1977 from our six-month charter (in cooperation with the federal government) of a West German factory trawler was invaluable. It underlined both the viability of such operations for your Company and the great importance and value of a non-traditional species harvest.

Granting of licenses to the Company for Canadian flag freezer trawlers, applications for which have been with Fisheries and Oceans Canada for well over a year, continues to be delayed. The addition of freezer trawlers to our fleet could result in a significantly increased contribution to the economy of the Atlantic Provinces. And provide an important source of badly needed foreign currency.

Dedication To Quality

From its NSP funnel to specially designed freezing equipment ashore, every National Sea trawler stands as a symbol for sea-going experience, highly developed skills, modern equipment, design and engineering. Even more, a dedication to quality.

The cold North Atlantic waters abound with a variety of fish.

The secret of successful marketing of these species depends on maintaining highest quality standards.

Each of the National Sea trawlers fishing these waters carries up to 100 tons of ice on every trip to guarantee the freshness of their catch on return to the processing plant.

The landed fish are carefully inspected, then separated according to species, size and quality.

The fresh fish are then filleted quickly, to ensure they are maintained at a cool temperature.

Depending on product requirements, fillets go through one of a variety of finishing operations.

Fresh fillets produced for restaurants, fish markets, retail trade and distributors are packed in our super chilling operation which serves the growing food service market.



They are then shipped immediately by refrigerated trucks, rail cars or aircraft to major Canadian, American and European cities.

Fresh frozen fillets are packaged in a variety of ways. Boned, separated fillets are frozen at -30°C in plate freezers, and are then sealed and shipped to cold storage warehouses.

Other options include the “enrobing” or “battering” process. Fillets are frozen into blocks, cut to size, coated with batter, sprinkled with breading and fried to a golden brown.

To keep the processing operation almost hospital-clean, most of the equipment is made of stainless steel or aluminum. This equipment was designed so that it could be cleaned easily and quickly. In fact it is washed daily with high pressure hoses and cleaning agents.

The Product Development Lab and the Quality Control Lab monitor daily operations to ensure continued, consistent, highest quality products.

Refrigerated trucks proudly wearing High Liner identification ensure that high quality High Liner products are transported at a constant low temperature to guarantee that quality on delivery is consistent with the quality when loaded at the plant.

For an indication of the variety of National Sea packaging, please turn to page 18 and 19.

Perhaps the latest, imaginative addition to the National Sea family of products is “Lobster in Brine” (sealed in a plastic tube) which makes it possible to deliver sea-fresh lobster to customers both in North America and abroad.

In addition to our continuing efforts to ensure highest quality products domestically, even greater emphasis is being placed on ensuring that those products we are supplying to other markets around the world are commensurate in quality with our foreign competitors.

Yes! National Sea Products is dedicated to quality!

Seafood & Health

Seafood is a high quality product. Well prepared seafood provides an exciting meal whether it takes the form of a hot fish sandwich or a gourmet seafood platter. Fish and seafood are healthier too...with 20% more usable protein than beef; far fewer calories and a very low cholesterol content. Fish and seafood are also lighter and easier to digest.





High Liner Products

In addition to High Liner®, National Sea owns a number of registered trademarks. One is Battercrisp® which appears prominently on many High Liner packages.

As the word suggests, products wearing this label are carefully enrobed in a special batter which, when cooked, provides a most enjoyable flavour with a "crisp" outer texture.

Some of the more prominent High Liner products include:

Fresh or Frozen Fillets:

cod, haddock, sole, ocean perch, Boston bluefish, mackerel and smoked cod

Battercrisp Cooked Fish:

cod, haddock, sole, Boston bluefish, fish fries

Battercrisp Fish and Chips:

cod, haddock, Boston bluefish

Breaded Cooked Fish:

fish cakes, fish sticks—cod, haddock, Boston bluefish, fish portions—Cheddo Stix, Cod Krunchies

Shrimp:

Battercrisp shrimp, breaded butterfly shrimp frozen peeled and deveined shrimp, cooked shrimp

Scallops:

Battercrisp scallops, plain frozen scallops, breaded whole scallops

Lobster:

lobster in brine, live, frozen, frozen canned lobster meat

Crab:

frozen snow crab meat

High Liner Canned Seafoods:

solid white tuna, flaked white tuna, chicken haddies, lobster meat, lobster spread, tiny shrimp, small shrimp, smoked oysters, baby clams, seafood spread, mackerel

Other Products:

herring, ocean smelts, kippers, frozen blueberries

By Products:

fish oil, fish meal

From the icy waters of the North Atlantic to the most modern refrigerated trucks, High Liner seafood products are in good hands... hands that care about quality... hands with the skills to speed High Liner seafood through the scaling, filleting, packaging and fast freezing processes... all within hours of landing.



Research & Technology

Heavy emphasis has been placed on Research and Development.

In line with progressive planning for the future we have aggressively pursued improvements within our Company in all existing fishing and processing operations as well as our products. Aware that a great depth of expertise also exists in many other parts of the world we continue, as part of our normal operations, to search out these sources and encourage from them further technological advancements that will help improve your Company, its operations and its product mix.

A number of highly impressive product and processing developments are planned for the coming year, some of which will come as a result of the Company having retained the services of the foremost expert in microwave cooking.

These anticipated developments will affect non-consumer food service products (Hotel and Restaurant),

plant operations, and undoubtedly consumer packaged goods products as well.

The early successes of new products introduced during 1978 support our optimism for new products to come during the year before us.

Fleet Training

Another industry first was established by the Company in its development and production of a special training film for Company Trawler Captains to help improve the effectiveness of Fleet operations.

This film was produced in cooperation with one of the world's most renowned gear technologists, using one of the largest test tanks in Europe.



Fresh shrimp, scallops, haddock, halibut and lobster are but a few of the seafood delicacies to be found in better hotels and restaurants. (Photographed at the Rope Loft Dining Room, Front Harbour, Chester, N.S.)



National Sea Captains and fleet personnel were involved throughout.

Results could make possible increases in catch efficiency of up to 20%. Projected against the Company's fish landings last year of approximately 300 million pounds, this could mean, with existing equipment and personnel, a substantial increase in landings.

Method Improvements

During 1978 the size of our Work Study and Costing Department was increased, resulting in greater emphasis in these areas. Beneficial results were achieved in the area of Method Improvements. Emphasis will continue to be placed on these areas in the future.

Energy Conservation

Through our conservation program, which includes both our fishing and processing operations, substantial energy reductions have already been achieved. This overall improvement will continue as on-going measures are implemented and take full effect. Specific improvements have been made in the areas of controlling electrical load demands, refrigeration operations, space heating and boiler operations. Energy conservation has been a primary consideration in design and selection of equipment for our new trawler building program, for the major expansions at Lunenburg and Arnold's Cove and for the many other expansions undertaken during 1978 and planned for 1979.



Statement of Consolidated Income

National Sea Products Limited
and its subsidiary companies

for the fifty-two weeks ended
December 30, 1978

(with comparative figures for the fifty-two weeks ended
December 31, 1977)

| (in thousands of dollars) | 1978 | 1977 |
|---|-----------|-----------|
| Net sales | \$217,481 | \$164,659 |
| Cost of sales (note 6) | 174,276 | 137,086 |
| | 43,205 | 27,573 |
| Selling, general and administrative expenses | 14,909 | 11,730 |
| Interest—on short-term debt | 1,741 | 1,317 |
| —on long-term debt | 2,223 | 2,039 |
| Provision for depreciation | 4,489 | 4,142 |
| | 23,362 | 19,228 |
| Income from operations before the following | 19,843 | 8,345 |
| Share of affiliated companies' net earnings (losses) | (558) | 351 |
| | 19,285 | 8,696 |
| Contribution to Employees' Savings and Profit Sharing Retirement Fund (note 8) | 1,928 | 870 |
| Income before income taxes and extraordinary item | 17,357 | 7,826 |
| Provision for income taxes | 7,372 | 2,892 |
| Income before extraordinary item | 9,985 | 4,934 |
| Extraordinary item: | | |
| Recovery of income taxes upon application of prior years' losses | 24 | 189 |
| Net income for the year | \$ 10,009 | \$ 5,123 |
| Earnings per common share: | | |
| Income before extraordinary item | \$2.20 | \$1.08 |
| Net income for the year | \$2.20 | \$1.12 |

See accompanying notes to financial statements

Statement of Consolidated Retained Earnings

National Sea Products Limited
and its subsidiary companies

for the fifty-two weeks ended
December 30, 1978

(with comparative figures for the fifty-two weeks ended
December 31, 1977)

| (in thousands of dollars) | 1978 | 1977 |
|-----------------------------|----------|----------|
| Balance, beginning of year | \$16,472 | \$11,993 |
| Add net income for the year | 10,009 | 5,123 |
| | 26,481 | 17,116 |
| Dividends: | | |
| Preference | 106 | 106 |
| Common (note 5) | 3,608 | 538 |
| | 3,714 | 644 |
| Balance, end of year | \$22,767 | \$16,472 |

See accompanying notes to financial statements

Statement of Changes in Consolidated Financial Position

National Sea Products Limited
and its subsidiary companies
for the fifty-two weeks ended
December 30, 1978
(with comparative figures for the fifty-two weeks ended
December 31, 1977)

| (in thousands of dollars) | 1978 | 1977 |
|---|--------------|----------|
| Source of Funds | | |
| Net income for the year | \$10,009 | \$ 5,123 |
| Add charges not represented by cash outlay during the year: | | |
| Depreciation | 4,489 | 4,142 |
| Portion of tax provision applicable to future years | 801 | 938 |
| Total funds provided from operations and extraordinary item | 15,299 | 10,203 |
| Increase in long-term debt | 1,856 | 1,738 |
| Disposal of fixed assets | 79 | 178 |
| Total funds provided | 17,234 | 12,119 |
| Application of Funds | | |
| Additions to fixed assets: | | |
| Trawlers | 1,844 | 854 |
| Buildings and equipment | 8,452 | 4,353 |
| | 10,296 | 5,207 |
| Less mortgage proceeds | 3,160 | — |
| | 7,136 | 5,207 |
| Dividends paid on common shares | \$3,608 | |
| Less common shares issued (note 5) | <u>2,094</u> | 538 |
| Dividends paid on preference shares | 106 | 106 |
| Instalments on long-term debt due within one year | 3,475 | 2,789 |
| Increase in other assets | 2,057 | 758 |
| Total funds applied | 14,288 | 9,398 |
| Increase in working capital | 2,946 | 2,721 |
| Working capital, beginning of year | 12,650 | 9,929 |
| Working capital, end of year | \$15,596 | \$12,650 |

See accompanying notes to financial statements

Consolidated Balance Sheet December 30, 1978

National Sea Products Limited
(Incorporated under the laws of the Province of
Nova Scotia)
and its subsidiary companies

| (in thousands of dollars) | December 30 1978 | December 31 1977 |
|--|---------------------|---------------------|
| Assets | | |
| Current: | | |
| Cash | \$ 480 | \$ 620 |
| Accounts receivable—trade | 20,801 | 14,261 |
| Accounts receivable—fishermen and other | 2,537 | 3,002 |
| Income taxes recoverable | — | 113 |
| Inventories of marketable products and supplies (note 2) | 45,311 | 29,015 |
| Prepaid expenses | 559 | 250 |
| Total current assets | 69,688 | 47,261 |
| Fixed (note 3) | 42,066 | 36,338 |
| Other: | | |
| Investments in shares of affiliates | 6,971 | 5,176 |
| Advances to affiliates | 1,070 | 950 |
| Sundry investments and other assets | 505 | 363 |
| | 8,546 | 6,489 |
| | \$120,300 | \$90,088 |

On behalf of the Board:
H. B. Rhude, Director
W. O. Morrow, Director



(in thousands of dollars)

December 30
1978

December 31
1977

Liabilities and Shareholders' Equity

Current:

| | | |
|---|-----------|----------|
| Bank indebtedness (secured) | \$ 25,885 | \$15,910 |
| Accounts payable and accrued charges | 19,671 | 13,477 |
| Income taxes payable | 5,564 | 2,400 |
| Instalments on long-term debt due within one year | 2,972 | 2,824 |

| | | |
|---------------------------|--------|--------|
| Total current liabilities | 54,092 | 34,611 |
|---------------------------|--------|--------|

| | | |
|-------------------------|--------|--------|
| Long-term debt (note 4) | 23,865 | 22,324 |
|-------------------------|--------|--------|

| | | |
|-----------------------|-------|-------|
| Deferred income taxes | 8,971 | 8,170 |
|-----------------------|-------|-------|

Shareholders' equity (note 5):

Capital—

| | | |
|---------------------------|-------|-------|
| 385,875 preference shares | 1,929 | 1,929 |
| 4,635,216 common shares | 6,940 | 4,846 |

| | | |
|---------------------|--------|--------|
| | 8,869 | 6,775 |
| Contributed surplus | 1,736 | 1,736 |
| Retained earnings | 22,767 | 16,472 |

| | | |
|--|--------|--------|
| | 33,372 | 24,983 |
|--|--------|--------|

| | | |
|--|-----------|----------|
| | \$120,300 | \$90,088 |
|--|-----------|----------|

See accompanying notes to financial statements



Notes to Consolidated Financial Statements

National Sea Products Limited
and its subsidiary companies

December 30, 1978

1. Summary of significant accounting policies

(a) Basis of consolidation

The accompanying financial statements consolidate the accounts of the company and all its subsidiaries.

(b) Foreign exchange translation

The financial statements of foreign subsidiaries and affiliates have been translated into Canadian dollars as follows: current assets and current liabilities at exchange rates prevailing at the end of the year; non-current assets, long-term debt and depreciation provisions on the basis of rates in effect at the date of acquisition; income and expenses (other than depreciation provisions) at average exchange rates prevailing during the year. Translation adjustments resulted in gains included in consolidated income of \$298,000 (1977—\$72,000) net of profit sharing and income tax.

(c) Inventory valuation

Inventories are valued at the lower of cost and net realizable value with cost determined principally on a FIFO (first-in first-out) basis.

A United States subsidiary values a substantial portion of its inventory on the LIFO (last-in first-out) basis of determining cost. This method is allowable for income tax purposes in the United States.

(d) Fixed assets

Fixed assets are carried at cost. Depreciation of fixed assets is provided on the straight-line basis at the following rates per annum:

| | |
|------------------------------|--|
| Brick buildings | 4% |
| Wooden buildings and wharves | 5% |
| Machinery and equipment | 5% and 10% |
| Trawlers | 8% for 5 years and 6% for next 10 years |
| Other | 10% and 25% |

(e) Investments in shares of affiliates

These investments represent companies in which National Sea Products Limited has a substantial interest and are carried at National's equity in their net assets; current income is recognized on the basis of National's share of their net earnings.

2. Inventories

| | December 30 1978 | December 31 1977 |
|--|---------------------|---------------------|
| Inventories consist of: | | |
| Marketable products and supplies | \$46,915,000 | \$29,673,000 |
| Allowance to state inventories of a United States subsidiary at LIFO cost | (1,604,000) | (658,000) |
| | <u>\$45,311,000</u> | <u>\$29,015,000</u> |

3. Fixed assets

| | December 30 1978 | December 31 1977 |
|---------------------------------------|---------------------|---------------------|
| Major categories of fixed assets are: | | |
| Land | \$ 1,442,000 | \$ 1,406,000 |
| Buildings, wharves and equipment | 47,468,000 | 39,564,000 |
| Trawlers | 32,682,000 | 31,195,000 |
| | <u>81,592,000</u> | <u>72,165,000</u> |
| Less accumulated depreciation: | | |
| Buildings, wharves and equipment | 22,628,000 | 20,857,000 |
| Trawlers | 16,898,000 | 14,970,000 |
| | <u>39,526,000</u> | <u>35,827,000</u> |
| | <u>\$42,066,000</u> | <u>\$36,338,000</u> |

4. Long-term debt

| | December 30 1978 | December 31 1977 |
|--|---------------------|---------------------|
| Particulars of long-term debt are: | | |
| Secured— | | |
| First mortgage bonds and collateral trust serial bonds: | | |
| 6½% Series "A" due 1978 | — | \$ 200,000 |
| Trawler mortgage loans: | | |
| Loans at rates from 4% to 7½% maturing from 1979-1988 | \$ 2,032,000 | 2,135,000 |
| 9% due semi-annually to 1989 | 770,000 | 843,000 |
| 8½% due semi-annually to 1991 | 3,397,000 | 3,672,000 |
| 9% due semi-annually to 1991 | 2,239,000 | 2,419,000 |
| 10% due semi-annually to 1992 | 2,182,000 | 2,337,000 |
| | <u>10,620,000</u> | <u>11,406,000</u> |
| Other: | | |
| Bank indebtedness bearing interest at 112% of the New York bank prime lending rate, due 1979 to 1982 | 1,613,000 | 1,614,000 |
| Bank indebtedness bearing interest at 1% above the bank prime lending rate, due 1979 to 1986, secured by a floating charge on the Company's assets | 8,000,000 | 8,000,000 |
| Bank indebtedness bearing interest at 1% above the bank prime lending rate, due quarterly to 1983 | 510,000 | — |
| Mortgages due semi-annually at rates from 8% to 10¼% maturing from 1984 to 1991 | 2,590,000 | 2,402,000 |
| Non-interest bearing note due at minimum of \$75,000 per annum to 1988 | 1,000,000 | — |
| * 10½% mortgage due quarterly to 1995 | 1,375,000 | — |
| | <u>15,088,000</u> | <u>12,016,000</u> |
| Unsecured— | | |
| 6¾% Subordinated Sinking Fund Debentures Series "A" due 1981 | 1,535,000 | 1,785,000 |
| Less debentures held for Sinking Fund, at par | 406,000 | 259,000 |
| | <u>1,129,000</u> | <u>1,526,000</u> |
| | 26,837,000 | 25,148,000 |
| Less instalments due within one year included in current liabilities | 2,972,000 | 2,824,000 |
| | <u>\$23,865,000</u> | <u>\$22,324,000</u> |

* On February 19, 1979 arrangements were concluded to refinance current bank indebtedness on a term basis as reflected above.

Principal and sinking fund payments required in each of the next five fiscal years:

| 1979 | 1980 | 1981 | 1982 | 1983 |
|-------------|-------------|-------------|-------------|-------------|
| \$3,000,000 | \$3,000,000 | \$3,900,000 | \$2,900,000 | \$2,500,000 |

5. Shareholders' equity

| (a) Details of share capital are: | Authorized Shares | Issued and Outstanding | | | |
|--|----------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| | | December 30, 1978 Shares | \$ | December 31, 1977 Shares | \$ |
| 5 1/2% Class C cumulative redeemable convertible preference shares of the par value of \$5 each, redeemable at par | 600,000 | 321,824 | \$1,609,120 | 319,274 | \$1,596,370 |
| 5 1/2% Class D cumulative redeemable convertible preference shares of the par value of \$5 each, redeemable at par | 400,000 | 64,051 | 320,255 | 66,601 | 333,005 |
| Subordinated redeemable preference shares of the par value of \$1 each, redeemable at par | 1,025,546 | — | — | — | — |
| Class A convertible common shares without nominal or par value | 9,000,000 | 3,501,565 | 5,242,300 | 3,440,670 | 3,717,191 |
| Class B convertible common shares without nominal or par value | 9,000,000 | 1,133,651 | 1,697,223 | 1,045,023 | 1,129,010 |
| | | | <u>\$8,868,898</u> | | <u>\$6,775,576</u> |

The Class A and Class B convertible common shares are inter-convertible at the option of the shareholder on a one-for-one basis and rank equally with respect to dividends and in all other respects. Similarly, the Class C and Class D convertible preference shares are inter-convertible at the option of the shareholder on a one-for-one basis and rank equally with respect to dividends and in all other respects.

(b) Effective as at the close of business on November 10, 1978, the 3,000,000 authorized shares for each of the Class A and Class B convertible common shares were increased to 9,000,000 authorized shares for each of the Class A and Class B; in effect, subdividing each of the Class A and Class B convertible common shares into 3 shares, or a 3 for 1 split.

A dividend of 46.3¢ for each common share was paid on November 20, 1978 to shareholders of record November 13, 1978, of which \$1,900,000 was paid out of capital surplus. To shareholders of record November 14, 1978, the Company offered the right to subscribe for and purchase one unissued common share for each 30 common shares held at a price of \$14.00 per share. The rights expired on December 11, 1978 and 149,523 additional common shares were issued for \$2,093,322.

In December 1978 an additional dividend of 33¢ for Class A common shares and 28.05¢ for Class B common shares was declared and paid.

(c) Trust Deed restrictions

The trust indenture securing the 6 3/4% subordinated sinking fund debentures Series "A" contains certain restrictions including, among others, restrictions as to payment of dividends, reduction of capital and retirement of subordinated debentures in the event of consolidated working capital (without deducting the portion of long-term debt due within one year) being less than \$6,000,000 or consolidated retained earnings being less than \$7,800,000.

6. Cost of sales

During the year the Company received \$415,000 (1977—\$1,262,000) from the Federal government, net of amounts paid to fishermen, in respect of various assistance programs. These amounts have been credited to cost of sales.

7. Income taxes

(a) Investment tax credits of approximately \$213,000 are available to offset future United States income tax liabilities and expire from 1980 to 1985.

(b) The provision for income taxes includes a reduction of \$216,000 (1977—\$202,000) resulting from application of the 3% inventory allowance under paragraph 20(1)(gg) of the Income Tax Act. Further tax reductions of \$250,000 (1977—\$172,000) have been reflected to give effect to the investment tax credit available to the Company.

8. Commitments

(a) Rentals aggregating approximately \$250,000 per annum through 1993 are payable under long-term leases for facilities in Lunenburg.

(b) An unfunded liability of \$578,000 for an executive and management pension plan is being funded and amortized by the Company in equal annual amounts to 1990.

(c) Employees of the Company meeting specified eligibility requirements may participate in a Trusteed Savings and Profit Sharing Plan covering employees of the Company and its subsidiaries. Participation in the Plan requires a contribution from the employee. The Company contributes an amount equal to 10% of its consolidated income before income taxes.

9. Statutory information

Remuneration of Directors and senior officers was \$541,500.

10. Anti-inflation program

Under the Federal government's anti-inflation program the Company is subject to mandatory compliance with legislation which controls prices, profit margins and employee compensation. The Company is exempt from further reporting subsequent to December 30, 1978.

Management is of the opinion that the Company is in compliance with the requirements of the anti-inflation legislation in all material respects.

Auditors' Report

To the Shareholders of National Sea Products Limited:

We have examined the consolidated balance sheet of National Sea Products Limited as at December 30, 1978 and the consolidated statements of income, retained earnings and changes in financial position for the fifty-two weeks then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 30, 1978 and the results of its operations and the changes in its financial position for the fifty-two weeks then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding period.

Clarkson, Gordon & Co.

Chartered Accountants

Halifax, Canada
February 20, 1979

Comparative Financial Information for 1974-1978

National Sea Products Limited
and its subsidiary companies

(all amounts are expressed in thousands,
except as indicated +)

| | 1978 | 1977 | 1976 | 4 months 1975 | 1975 | 1974 |
|---|-------------|-----------|-------------|------------------|-----------|-----------|
| | | | (unaudited) | (unaudited) | | |
| Working Capital | \$ 15,596 | 12,650 | 9,929 | 10,809 | 10,692 | 15,187 |
| Plant, Equipment, Trawlers and other Fixed Assets after Depreciation | \$ 42,066 | 36,338 | 35,451 | 36,087 | 36,317 | 33,931 |
| Total Assets | \$ 120,300 | 90,088 | 84,420 | 76,794 | 74,807 | 75,274 |
| Accumulated Deferred Income Taxes | \$ 8,971 | 8,170 | 7,232 | 7,009 | 6,864 | 8,193 |
| Long Term Debt | \$ 23,865 | 22,324 | 23,375 | 24,448 | 25,488 | 24,985 |
| Shareholders' Equity: | | | | | | |
| Preference Shares | \$ 1,929 | 1,929 | 1,929 | 1,929 | 1,929 | 1,929 |
| Common Shares | \$ 6,940‡ | 4,846 | 4,846 | 4,846 | 4,846 | 4,846 |
| Contributed Surplus | \$ 1,736 | 1,736 | 1,736 | 1,736 | 1,736 | 1,736 |
| Retained Earnings | \$ 22,767 | 16,472 | 11,993 | 10,978 | 10,252 | 11,889 |
| Total Shareholders' Equity | \$ 33,372 | 24,983 | 20,504 | 19,489 | 18,763 | 20,400 |
| Additions to Plant, Equipment, Trawlers and other Fixed Assets during the year | \$ 10,296 | 5,207 | 5,993 | 1,130 | 6,271 | 6,194 |
| Fish Landings (lbs) | 301,000 | 232,000 | 220,000 | 69,000 | 178,000 | 217,000 |
| Herring Purchased for Reduction (lbs) | — | — | — | 2,000 | 4,000 | 5,000 |
| Net Sales | \$ 217,481 | 164,659 | 127,066 | 37,363 | 97,324 | 90,069 |
| Depreciation | \$ 4,489 | 4,142 | 4,023 | 1,326 | 3,752 | 3,174 |
| Income Taxes | \$ 7,372 | 2,892 | 1,004 | 447 | (863) | 15 |
| Net Income | \$ 10,009 | 5,123 | 1,121 | 779 | (1,411) | 194 |
| Dividends on Preference Shares | \$ 106 | 106 | 106 | 53 | 106 | 106 |
| Dividends on Common Shares | \$ 3,608‡ | 538 | — | — | 120 | 1,054 |
| Earnings Retained in Business for Expansion | \$ 6,295 | 4,479 | 1,015 | 726 | (1,637) | (966) |
| * Earnings per Common Share: | | | | | | |
| Before extraordinary items | + \$2.20 | \$1.08 | \$0.16 | \$0.14 | \$(0.28) | \$0.02 |
| After extraordinary items | + \$2.20 | \$1.12 | \$0.23 | \$0.16 | \$(0.34) | \$0.02 |
| * Common Dividends paid per share — Class A | + 79.3¢‡ | 12.0¢ | — | — | 2.7¢ | 23.5¢ |
| * Common Dividends paid per share — Class B | + 74.4¢‡ | 12.0¢ | — | — | 2.3¢ | 20.0¢ |
| Earnings as a Percentage of Sales | + 4.6% | 3.1% | 0.9% | 2.1% | (1.4)% | 0.2% |
| * Cash Flow per average number of Common Shares Outstanding | + \$3.28 | \$2.25 | \$1.17 | \$0.49 | \$0.20 | \$0.77 |
| * Number of Common Shares Outstanding at Year End | + 4,635,216 | 4,485,693 | 4,485,693 | 4,485,693 | 4,485,693 | 4,485,693 |

By Shareholders' Resolution dated December 10, 1975 the Company changed its
fiscal year end from August 31 to the Saturday nearest to December 31.

* Restated for 3 for 1 split in 1978.

‡ 46.7¢ per share (\$2,094,000) of the common dividends paid was reinvested in
additional common shares through a rights offering.

Corporate Directory

National Sea Products Limited
and its subsidiary companies

Board of Directors

- H. P. Connor, *Halifax, N.S.*
† Frank M. Covert, Q.C., *Halifax, N.S.*
† J. B. Estey, *Loggieville, N.B.*
* C. R. MacFadden, *Glen Haven, N.S.*
* J. B. Morrow, *Lunenburg, N.S.*
* W. O. Morrow, *Halifax, N.S.*
* H. B. Nickerson, *North Sydney, N.S.*
* J. E. A. Nickerson, *North Sydney, N.S.*
C. C. Pratt, *St. John's, Nfld.*
* H. B. Rhude, Q.C., *Halifax, N.S.*
The Hon. H. J. Robichaud,
Fredericton, N.B.
† F. W. Russell, *St. John's, Nfld.*
P. J. Smith, *Halifax, N.S.*
* Member of the Executive Committee
† Member of the Audit Committee
(W. O. Morrow and M. L. Pitman are ex-officio members
of the Audit Committee)

Officers and Senior Management

- H. B. Rhude, Q.C.,
*Chairman of the Board and Executive
Committee*
W. O. Morrow
President and Chief Executive Officer
C. R. MacFadden
Vice President
J. B. Morrow
Vice President
I. H. Langlands
Vice President
J. A. Tupper
Vice President
M. L. Pitman
Vice President—Finance and Treasurer
E. H. Demone
Vice President—Fleet
J. P. McNeil
Vice President—Marketing, Canada
A. J. Roche
Vice President
F. D. McGee
Secretary and Company Solicitor
S. J. Campbell
Assistant Secretary

I. C. McDermaid
President, McDermaid Agencies Limited
D. J. Mosher
President, Scotia Trawler Equipment Limited
J. H. Rigg
*President and Managing Director,
Hamilton Insurance Brokers Limited
and Subsidiary Companies*
K. H. Ritcey
*President, National Sea Products (U.S.)
Corp. Limited and National Sea Products Inc.*

Subsidiary Companies

National Sea Products (U.S.) Corp. Limited
Tampa Florida
National Sea Products Inc.
Rockland, Me.
Natlake Limited
Burgeo, Nfld.
McDermaid Agencies Limited
Halifax, N.S.
Scotia Trawler Equipment Limited
Lunenburg, N.S.

Major Affiliated Companies

Hamilton Insurance Brokers Limited
Cambridge Reinsurance Limited
Canadian International Insurance
(Management) Limited
Hamilton, Bermuda
Burgeo Seafoods Limited
Burgeo, Nfld.

Auditors:

Clarkson, Gordon & Co.
Chartered Accountants

Transfer Agents:

Common Shares
Montreal Trust Company
Preference Shares
The Company, Secretary's Office
P.O. Box 2130, Halifax, N.S.

Bankers:

The Royal Bank of Canada
The Bank of Nova Scotia

Plant Locations

Digby Division,
Nova Scotia

Lockeport Division,
Nova Scotia

Lunenburg Division,
Nova Scotia

Halifax Division,
Nova Scotia

Louisbourg Division,
Nova Scotia

North Sydney Division,
Nova Scotia

Pictou Division,
Nova Scotia

Shediac Division,
Shediac, New Brunswick
Summerside, Prince Edward Island
Morrell, Prince Edward Island
Deer Island, New Brunswick

Shippegan Division,
New Brunswick

Magdalen Islands Division,
Amherst, Quebec
Grand-Entree, Quebec

St. John's Division,
Newfoundland

Newfoundland
Inshore Fisheries Division,
Arnold's Cove, Newfoundland;
Lark Harbour, Newfoundland;
Piccadilly, Newfoundland

LaScie Division, *Newfoundland*

Burgeo Seafoods, Ltd.,
Newfoundland

Scotia Trawler Equipment Limited,
Lunenburg, Nova Scotia

National Sea Products Inc.,
Rockland, Maine

National Sea Products (U.S.) Corp.,
Tampa, Florida



Design: Norman B Hathaway Associates, Toronto, Halifax

Printed in Canada